

## Exposing the White House's Misleading Claim on 9,000 Unused Approved Drilling Permits

- The White House continues to push the false claim that because there are 9,000 approved oil and gas permits to drill, and that the oil industry is sitting on these unused permits refusing to increase U.S. production.<sup>1</sup>
- This is misleading and is a deflection from the Biden administration's failed energy policies. It reflects their lack of understanding of energy markets and regulatory processes.
- The permits they are referring to are simply the permits to drill in search of oil and gas resources:
  - Just because there is a permit, that doesn't mean that there is oil in the ground or that necessary equipment and pipelines are available.
  - Therefore, "non-producing" oil and gas wells are not necessarily "unused" oil and gas leases but instead are in the process of being developed.
  - The federal government requires energy production on these lands and any delays require federal approval.
- The decision to use a permit at any given time is a complex calculation based on the availability of permits, acreage, and equipment. Here are examples of processes that slow down production:
  - Energy production operations cannot begin until additional permits are obtained;
  - The availability of adjacent lands are often required for transportation and processing in order to economically produce energy from leases;
  - Exploratory drilling for energy may indicate low volumes of oil and gas that are not economic to produce;
  - The administration has failed to approve right-of-way access necessary to transport oil and gas to market;
  - Government-required environmental mitigation may make energy production in some areas uneconomic.
- One of President Biden's first Executive Orders was to ban federal oil and gas offerings and block pipelines necessary for transporting energy. Since then, his policies have led to supply chain delays, worker shortages, excessive regulation, and inflation, all of which have blocked the investment needed to ramp up U.S. production.
- Onshore oil and gas production takes an average of three to four years from leasing to actual production, and offshore leases take up to 10 years or more.<sup>2</sup>
  - These timeframes don't account for political obstruction and judicial overreach by this administration. (Ex: The Biden administration is dragging its feet to provide leases and permits for acreage that was approved under the Trump administration.)
- **Time is money, there is no incentive for American producers to delay production.** These leases are significant financial investments and with oil prices over \$120 barrel, the Biden Administration should signal support for American energy and help to temper the price spikes.
- This administration is even refusing to defend its own work and the work of the Obama administration, which recognized that if we don't produce our own oil and gas, it will be replaced by foreign oil with higher emissions.<sup>3</sup>

**Bottom Line:** The volatility and the flawed energy strategies of the Biden Administration are causing the higher energy prices Americans are experiencing today. Until this administration stops attacking American energy, the American people will continue to pay the price. This is no Putin's Price Hike.

<sup>1</sup> <https://www.whitehouse.gov/briefing-room/press-briefings/2022/03/07/press-briefing-by-press-secretary-jen-psaki-march-7th-2022/>

<sup>2</sup> <https://www.govinfo.gov/records/226237-P-1150925-GH4STCALODYEUT196T6UJXG05I35P9/>

<sup>3</sup> [https://www.boem.gov/sites/default/files/dl-and-gas-energy-program/Leasing/Five-Year-Program/2012-2017/BOEMOceanInfo/ocs\\_oil\\_and\\_natural\\_gas.pdf](https://www.boem.gov/sites/default/files/dl-and-gas-energy-program/Leasing/Five-Year-Program/2012-2017/BOEMOceanInfo/ocs_oil_and_natural_gas.pdf)